



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

September 16, 2011

Rick Havenstrite  
Desert Hawk Gold Corporation  
7115 N Division Street, Suite B #351  
Spokane, Washington 99208

Subject: Reclamation Surety Required, Desert Hawk Gold Corporation, Yellow Hammer, S/045/0076, Tooele County, Utah

Dear Mr. Havenstrite:

The referenced Notice of Intent to Commence Small Mining Operations (NOI), amendment received by the Division of Oil, Gas and Mining September 12, 2011, is complete **with the exception of the reclamation bonding requirement.** The reclamation surety is determined to be \$48,500 escalated until 2014 or \$50,400 escalated until 2016. This was determined based on information in the following table:

| <b>Small Mine Operation Bond<br/>Calculation Worksheet S/045/0076</b> |            |                  |                   |
|---|------------|------------------|-------------------|
| <b>3-year escalation (2014)</b>                                       |            |                  |                   |
| <b>Item</b>   | <b>Qty</b> | <b>Unit Cost</b> | <b>Total Cost</b> |
| 1st Acre Disturbance  | 1          | \$7,900.00       | \$7,900.00        |
| Add'l Acres Disturbance   | 8          | \$4,700.00       | \$37,600.00       |
| Add'l equipment mob (over 5 acre)                                     | 1          | \$3,000.00       | \$3,000.00        |
| TOTAL 9 acres   |            |                  | \$48,500.00       |
| <b>5-year escalation (2016)</b>                                       |            |                  |                   |
| <b>Item</b>   | <b>Qty</b> | <b>Unit Cost</b> | <b>Total Cost</b> |
| 1st Acre Disturbance  | 1          | \$8,200.00       | \$8,200.00        |
| Add'l Acres Disturbance   | 8          | \$4,900.00       | \$39,200.00       |
| Add'l equipment mob (over 5 acres)                                    | 1          | \$3,000.00       | \$3,000.00        |
| TOTAL 9 acres   |            |                  | \$50,400.00       |

**Please submit the additional reclamation surety within the next 15 days.** The Division currently holds a reclamation surety of \$25,200, so the additional amount needed is either \$23,300 or \$25,200 depending on the escalation year used. No mining related disturbance may be created until the surety is received and approved, and you have received written acceptance from this office as well as other applicable agencies.

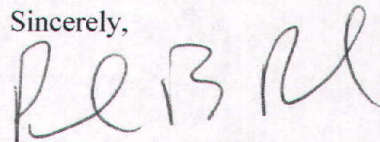


Rick Havenstrite  
Page 2 of 2  
S/045/007637  
September 16, 2011

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at (801) 538-5291 or e-mail [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov) for assistance in completing this requirement.

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/045/0076.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PBB', is written over the word 'Sincerely,'.

Paul B. Baker  
Minerals Program Manager

PBB:lah:eb  
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